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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

19 December 1983

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : National Intelligence Officer for Warning

FROM : [REDACTED]
National Intelligence Officer for Africa

SUBJECT : Warning and Forecast Report: Sub-Saharan Africa (U)

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Community representatives and specialists met on 13 December 1983 with the NIO/AF as chairman. The attached report has not been coordinated with the other participants but is being circulated to them. If they feel their views have been misinterpreted, or if they have significant additional concerns, I'll report further to you. (U)

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Attachment

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ANGOLA

Discussion on Angola centered on the current military situation and the worsening economic crisis faced by the beleaguered Luanda regime.

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SUDAN

Although President Nimeiri has returned from his trip abroad without incident, there was a general consensus that at the risk of "crying wolf" policymakers and analysts must remain alert to the present unsettled situation in the Sudan that is likely to continue, and perhaps worsen, over the next six months if Nimeiri continues to press ahead with his Islamization campaign.

[] believes that Nimeiri is not in immediate danger, but that the principal threat to his position is from the military, and that threat will grow if the situation in the south worsens.

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Forecast

Dissident activity in southern Sudan will intensify over the next six months. The dissidents are becoming more sophisticated and we expect small unit activity to continue and result in spiraling violence. Foreign personnel working in the south may be subjected to greater harassment. The pressure on the US for increased military assistance, particularly helicopters, will grow if the Sudanese military is unable to counter dissident operations.

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14 December 1983

MEMORANDUM FOR: National Intelligence Officer for Africa

FROM: Chief, Research Branch
Africa Division
Office of African and Latin American Analysis

SUBJECT: Economic Issues and Political Instability

1. Deteriorating modern economies is a theme common to almost all of black Africa. The decline has been particularly severe since the dramatic increase in international oil prices. With a few exceptions--Ivory Coast, Gabon, Nigeria, Cameroon, and Kenya--the economic position of African countries shows little, if any, improvement over what it was prior to independence. The overwhelming majority of Africans depend on agriculture for their economic livelihood and on overseas sources for essential industrial and consumer goods. As a result, Africa's leaders have little control over their economic fortunes, but rather are at the mercy of favorable trends in international commodity markets.

2. Economic pressures are assuming significant political implications for African governments. Such political untouchables as Nimeiri of Sudan, Nyerere of Tanzania, Kaunda of Zambia, Mobutu of Zaire, and Toure of Guinea have come under unprecedented public criticism for their mishandling of the economy. Economic issues also have been the catalyst in periodic instances of urban unrest and generated support for junior officer coups or coup attempts in Liberia, Ghana, and Kenya.

3. Three issues will occupy the attention of African economic officials over the coming years: food, energy, and debt. Food is the most pressing--Africans have shown a tremendous tolerance for low standards of living as long as they are able to buy adequate food--and the most intractable problem. Government policies that subsidize urban consumers at the expense of low prices for foodstuffs have made agriculture unattractive for young farmers; these people now constitute an ever-growing pool of unemployed in overcrowded urban areas. Even in the best of years, one can count on a single hand the number of African countries that are self-sufficient in food production. Reversing this trend requires the commitment of both funds and technical expertise far beyond the capability of any African government.

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4. The decline in agricultural production also has affected black Africa's ability to generate foreign exchange needed to purchase essential consumer and manufactured goods, particularly oil. The availability of sufficient supplies of petroleum has become of increasing concern because the modern African economies depend on oil as their primary energy source. The problem is compounded by the need of most African regimes to find a reliable supplier of crude oil or refined products that will sell on concessional terms.

5. The rising cost of imported goods and declining foreign exchange revenues have forced African governments to join the ranks of Third World countries saddled with an alarming international debt burden. Some African countries must set aside more than one-third of their hard currency reserves to pay off their foreign creditors or risk a total cutoff of trade credits. In the meantime, international banks--faced with their own cash flow problems--increasingly view Africa generally as a poor credit risk and are scaling back on their lending. African governments have been left with little choice but to go to official lenders, whose assistance often is tied to politically risky economic reforms.

6. Almost every African regime has some kind of arrangement with the International Monetary Fund, whose assistance has become a prerequisite for funds from both banks and Western governments. As a result, economic policies are being dictated by what needs to be done to satisfy the IMF. This development has significant implications for US relations with black Africa: the Fund is widely perceived among Africans as little more than a foreign policy instrument of Washington, and that the US can influence the severity of the various economic reforms demanded by the IMF.

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